CLAIMS

I claim

1. A method for increasing the expected rate of return from a game involving one or more players, comprising:

providing an opportunity to participate in a game in return for financial consideration from one or more players, the game having a payout structure;
choosing a residual value;
choosing one or more assets; and
modifying the payout structure for the one or more players such that it is a function of the game, the residual value, and the one or more assets.

2. The method of claim 1, wherein the residual value is greater than zero and less than one.

3. The method of claim 1, wherein the residual value is greater than or equal to one.

4. The method of claim 1, wherein the one or more assets include one or more of the following: equity securities, debt securities, mutual funds, gold coins, hedge funds, bank deposits, derivative securities, commodity contracts, commodity derivatives, and private investment contracts.

5. The method of claim 1, wherein the one or more assets are financial assets.

6. A method for conducting a game involving one or more players, comprising:

providing an opportunity to a first player to participate in a game in return for financial consideration;

allocating at least a first portion of the financial consideration to purchase of one or more assets, the allocation being determined in accordance with a residual value;

purchasing the one or more assets with the allocated first portion of the financial consideration;

conducting the game; and

paying out to one or more winners of the game in accordance with the results of the step of conducting the game.

7. The method of claim 6, wherein the one or more assets are chosen by the player.

8. The method of claim 6, wherein the one or more assets are chosen by an entity operating the game.

9. The method of claim 6, wherein the residual value is chosen by the player.

10. The method of claim 6, wherein the residual value is chosen by an entity operating the game.

11. The method of claim 6, wherein the residual value is defined equally for all players in the game.

12. The method of claim 6, wherein the residual value is defined separately for each player in the game.

13. The method of claim 6, wherein an account is established for the player upon receipt of the financial consideration.

14. The method of claim 13, wherein the account is an investment account.

15. The method of claim 13, wherein the account is a bank account.

16. The method of claim 13, wherein the one or more assets are added to the player's account.

17. The method of claim 6, wherein the player receives a token upon payment of the financial consideration.

18. The method of claim 17, wherein the token is a ticket.

19. The method of claim 18, wherein the token is an electronic ticket.

20. A system for increasing the expected rate of return from a game involving a plurality of players, comprising:

means for providing an opportunity to participate in a game in return for financial consideration from one or more players, the game having a payout structure;
means for choosing a residual value;
means for choosing one or more assets; and
means for modifying the payout structure for the one or more players such that it is a function of the game, the residual value, and the one or more assets.means for obtaining a description of the payout structure of a game;

21. A method for creating financial instruments whose value is linked to the playing or outcomes of one or more games, said method comprising:

selecting one or more games;

defining a financial instrument, the financial instrument having a plurality of characteristics, the step of defining comprising:

selecting a type for the financial instrument;

selecting a set of terms and conditions for the financial instrument, the terms and conditions including a payout structure that is a function of one or more events associated with the one or more games.

22. The method of claim 21, wherein the type is fixed-rate debt instrument.

23. The method of claim 21, wherein the type is floating-rate debt instrument.

24. The method of claim 21, wherein the type is convertible debt instrument.

25. The method of claim 21, wherein the type is an equity-linked debt instrument.

26. The method of claim 21, wherein the payout structure comprises a plurality of payout scenarios including a payout scenario that is operative if at least one of the one or more of the games has a winner.

27. The method of claim 21, wherein the payout structure comprises a plurality of payout scenarios including a payout scenario that is operative if none of the one or more games has a winner.

28. A system for creating financial instruments whose value is linked to the playing or outcomes of one or more games, said system comprising:

means for selecting one or more games;

means for defining a financial instrument, the financial instrument having a plurality of characteristics, the step of defining comprising:

means selecting a type for the financial instrument;

means for selecting a set of terms and conditions for the financial instrument, the terms and conditions including a payout structure that is a function of one or more events associated with the one or more games.

29. A method for conducting games, whose playing or outcomes are linked to the value of one or more financial instruments, comprising:

selling financial instruments to one or more buyers, the financial instruments each having a plurality of characteristics, comprising:

a type; and

terms and conditions, the terms and conditions specifying return characteristics, the return characteristics being a function of one or more events associated with the one or more games;

playing the one or more games, the playing of the one or more games resulting in one or more events;

calculating the return on investment for the one or more financial instruments as a function of the events.

30. The method of claim 29, wherein the one or more events include one or more outcomes.

31. The method of claim 21, wherein the return characteristics include a correlation coefficient of zero to a given set of other financial instruments.

32. A method for creating financial instruments whose value is linked to one or more events that can be modeled in game-theoretic terms, said method comprising:

selecting one or more events;

defining a financial instrument, the financial instrument having a plurality of characteristics, the step of defining comprising:

selecting a type for the financial instrument;

selecting a set of terms and conditions for the financial instrument, the terms and conditions including a payout structure that is a function of the playing or outcomes of the one or more games.